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百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1168)

2016 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2016

- Turnover up 1% to HK\$165.7 million
- Gross Profit up 9% to HK\$76.2 million
- Profit attributable to owners of the Company down 26% to HK\$10.9 million
- Basic Earnings Per Share down 26% to HK0.31 cents

The board of directors (the “Board”) of Sinolink Worldwide Holdings Limited (the “Company”) announced the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2016.

* For identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2016

		Six months ended	
		30.6.2016	30.6.2015
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Turnover	3	165,719	164,604
Cost of sales		<u>(89,476)</u>	<u>(94,857)</u>
Gross profit		76,243	69,747
Other income	4	71,799	72,485
Selling expenses		(942)	(1,536)
Administrative expenses		(57,401)	(70,921)
Increase in fair value of investment properties	11	78,385	33,417
Fair value (loss) gain on financial assets at fair value through profit or loss and derivative financial instruments		(51,971)	96,197
Impairment loss on loan receivable	12	–	(79,000)
Share of results of associates		(39,239)	(50,339)
Finance costs	5	<u>(2,807)</u>	<u>(6,959)</u>
Profit before taxation		74,067	63,091
Taxation	6	<u>(39,919)</u>	<u>(30,973)</u>
Profit for the period	7	<u>34,148</u>	<u>32,118</u>
Attributable to:			
Owners of the Company		10,854	14,748
Non-controlling interests		<u>23,294</u>	<u>17,370</u>
		<u>34,148</u>	<u>32,118</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	9		
Basic		<u>0.31</u>	<u>0.42</u>
Diluted		<u>0.31</u>	<u>0.42</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended	
	30.6.2016	30.6.2015
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	<u>34,148</u>	<u>32,118</u>
Other comprehensive (expense) income		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation	(126,740)	86
Share of translation reserve of associates	<u>18,561</u>	<u>(293)</u>
Other comprehensive expense for the period	<u>(108,179)</u>	<u>(207)</u>
Total comprehensive (expense) income for the period	<u><u>(74,031)</u></u>	<u><u>31,911</u></u>
Total comprehensive (expense) income attributable to:		
Owners of the Company	(79,546)	14,509
Non-controlling interests	<u>5,515</u>	<u>17,402</u>
	<u><u>(74,031)</u></u>	<u><u>31,911</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2016

	NOTES	30.6.2016 HK\$'000 (unaudited)	31.12.2015 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	10	421,782	466,283
Prepaid lease payments		62,989	64,908
Investment properties	11	2,555,282	2,528,361
Amounts due from associates		147,758	138,871
Interests in associates		–	–
Available-for-sale investments		153,586	155,974
Other receivables		158,399	122,649
Loan receivable	12	1,582,986	1,603,664
		<u>5,082,782</u>	<u>5,080,710</u>
Current assets			
Stock of properties	13	857,860	851,991
Trade and other receivables, deposits and prepayments	14	42,657	64,759
Prepaid lease payments		1,257	1,282
Investments held for trading		508,299	389,655
Short-term bank deposits		1,604,190	530,465
Structured deposits		452,631	–
Pledged bank deposits		612	624
Cash and cash equivalents		1,040,083	2,745,617
		<u>4,507,589</u>	<u>4,584,393</u>
Current liabilities			
Trade and other payables, deposits received and accrued charges	15	539,936	543,874
Derivative financial instruments		14,353	–
Taxation payable		678,057	698,813
Borrowings – due within one year		35,146	35,859
		<u>1,267,492</u>	<u>1,278,546</u>
Net current assets		<u>3,240,097</u>	<u>3,305,847</u>
Total assets less current liabilities		<u>8,322,879</u>	<u>8,386,557</u>
Non-current liabilities			
Borrowings – due after one year		76,959	96,450
Deferred taxation		369,320	354,736
		<u>446,279</u>	<u>451,186</u>
Net assets		<u>7,876,600</u>	<u>7,935,371</u>
Capital and reserves			
Share capital		354,111	354,111
Reserves		6,469,524	6,533,810
Equity attributable to owners of the Company		6,823,635	6,887,921
Non-controlling interests		1,052,965	1,047,450
Total Equity		<u>7,876,600</u>	<u>7,935,371</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activities of the Group are property development, property management and property investment.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2016 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2015, except for the following.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as fair value through profit or loss (“FVTPL”) upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 “Financial instruments: Recognition and measurement” permits the entire combined contract (asset or liability) to be designated as at FVTPL.

The structured deposits are designated as financial assets at FVTPL at initial recognition. Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognition in profit or loss. The net gain or loss recognised in the profit or loss excludes any interest earned on the financial assets and is included in “fair value (loss) gain on financial assets at fair value through profit or loss and derivative financial instruments” line item.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

In the current interim period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are mandatorily effective for the accounting period beginning on or after 1 January 2016.

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by reportable and operating segments:

Segment information

Six months ended 30 June 2016 (unaudited)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total for reportable segments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER						
External sales	<u>-</u>	<u>78,651</u>	<u>62,358</u>	<u>141,009</u>	<u>24,710</u>	<u>165,719</u>
RESULT						
Segment result	<u>(1,088)</u>	<u>145,986</u>	<u>12,727</u>	<u>157,625</u>	<u>(28,122)</u>	129,503
Other income						71,799
Unallocated corporate expenses						(33,218)
Fair value loss on financial assets at fair value through profit or loss and derivative financial instruments						(51,971)
Share of results of associates						(39,239)
Finance costs						<u>(2,807)</u>
Profit before taxation						<u>74,067</u>

Six months ended 30 June 2015 (unaudited)

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Total for reportable segments <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
TURNOVER						
External sales	<u>-</u>	<u>79,419</u>	<u>62,797</u>	<u>142,216</u>	<u>22,388</u>	<u>164,604</u>
RESULT						
Segment result	<u>(1,396)</u>	<u>87,963</u>	<u>9,376</u>	<u>95,943</u>	<u>(25,575)</u>	70,368
Other income						72,485
Unallocated corporate expenses						(39,661)
Fair value gain on financial assets at fair value through profit or loss						96,197
Impairment loss on loan receivable						(79,000)
Share of results of associates						(50,339)
Finance costs						<u>(6,959)</u>
Profit before taxation						<u>63,091</u>

Segment result represents the profit earned/loss incurred by each segment without allocation of other income, unallocated corporate expenses, impairment loss on loan receivable, share of results of associates, fair value gain/loss on financial assets at fair value through profit or loss and derivative financial instruments, and finance costs. This is the measure reported to the executive directors, the Group's chief operating decision maker, for performance assessment and resource allocation.

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as it is not regularly provided to the executive directors for review.

4. OTHER INCOME

Other income comprises:

	Six months ended	
	30.6.2016	30.6.2015
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Dividends from listed securities	2,527	1,721
Gain on disposal of property, plant and equipment, net	–	205
Net exchange gain (<i>Note</i>)	21,779	–
Interest income on bank deposits	44,022	65,672
Interest income on listed senior notes classified as investment held for trading	2,425	116
Interest income on entrusted loans receivable	–	3,612
Others	1,046	1,159
	<u>71,799</u>	<u>72,485</u>

Note: The net exchange gain mainly arose on the translation of the loan receivable due from Rockefeller Group Asia Pacific, Inc. ("RGAP"), an associate of the Group, denominated in USD.

5. FINANCE COSTS

	Six months ended	
	30.6.2016	30.6.2015
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	<u>2,807</u>	<u>6,959</u>

6. TAXATION

Six months ended	
30.6.2016	30.6.2015
HK\$'000	HK\$'000
(unaudited)	(unaudited)

The charge comprises:

Current tax		
PRC Enterprise Income Tax	17,948	17,562
Deferred taxation	21,971	13,411
	<u>39,919</u>	<u>30,973</u>

No provision for Hong Kong Profits Tax had been made in the condensed consolidated financial statements as the amount involved was insignificant for both periods.

Taxation for subsidiaries of the Group, which were established and principally operated in the Shenzhen Special Economic Zone, is calculated at the rate of 25% (six months ended 30 June 2015: 25%) of their assessable profits for the six months ended 30 June 2016 according to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

In addition, PRC land appreciation tax ("LAT") shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development.

Deferred taxation charge for the period represents deferred tax arising from revaluation of investment properties and undistributed profits of subsidiaries. Deferred taxation on undistributed profits of subsidiaries has been recognised taking into account the dividends to be distributed from profits earned by the subsidiaries in the PRC starting from 1 January 2008 under the relevant tax rules and regulations of the PRC that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders.

7. PROFIT FOR THE PERIOD

Six months ended	
30.6.2016	30.6.2015
HK\$'000	HK\$'000
(unaudited)	(unaudited)

Profit for the period has been arrived at after charging (crediting):

Depreciation of property, plant and equipment	38,220	36,696
Release of prepaid lease payments	638	679
Net exchange loss	–	8,552
Fair value loss (gain) on financial assets at fair value through profit or loss	56,164	(96,197)
Fair value gain on derivative financial instruments	(4,193)	–
Share-based payments	15,260	15,181

8. DIVIDENDS

No dividends were paid, declared and proposed by the Company during the interim period (six months ended 30 June 2015: nil). The directors have determined that no dividend will be paid in respect of the current interim period.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Six months ended	
30.6.2016	30.6.2015
HK\$'000	HK\$'000
(unaudited)	(unaudited)

Earnings for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share

10,854	14,748
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Number of shares	
30.6.2016	30.6.2015

Number of ordinary shares for the purpose of basic and diluted earnings per share

3,541,112,832	3,541,112,832
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The computation of diluted earnings per share for both periods has not assumed the exercise of the Company's share options as the exercise price was higher than the average market price of the Company's share during the periods.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of approximately HK\$2,142,000 (six months ended 30 June 2015: HK\$10,911,000).

11. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
FAIR VALUE	
At 1 January 2016 (audited)	2,528,361
Exchange realignment	(51,464)
Increase in fair value of investment properties	<u>78,385</u>
At 30 June 2016 (unaudited)	<u><u>2,555,282</u></u>
Unrealised gain on property revaluation included in profit or loss	<u><u>78,385</u></u>

The fair values of the investment properties as at 30 June 2016 and 31 December 2015 have been arrived at on the basis of a valuation carried out on those dates by Messrs. DTZ Cushman & Wakefield Limited, independent qualified professional valuers not connected with the Group, and are the members of the Hong Kong Institute of Surveyors.

The fair value of investment properties was determined by making reference to comparable sales evidence as available in the relevant market, or where appropriate by the investment method by capitalizing the net income derived from the existing tenancies with allowance for the reversionary income potential of the properties.

There has been no change from the valuation technique used in the prior year.

12. LOAN RECEIVABLE

	30.6.2016 <i>HK\$'000</i> (unaudited)	31.12.2015 <i>HK\$'000</i> (audited)
Shareholder's loan receivable, with principal amount and interest receivable in aggregate of USD533,299,000 (31 December 2015: USD513,757,000) less cumulative impairment loss of HK\$2,008,974,000 (31 December 2015: HK\$1,857,521,000) recognised	2,124,095	2,124,095
Less: Share of loss and other comprehensive expenses of associate in excess of cost of investment	<u>(541,109)</u>	<u>(520,431)</u>
	<u>1,582,986</u>	<u>1,603,664</u>

The amount represents a shareholder's loan receivable from RGAP for financing a property development and property investment project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment in RGAP. As the loan receivable is considered as a net investment, the Group has recognised its share of loss of RGAP in excess of the cost of investment against the loan receivable. The amount is carried at amortised cost based on the estimated future cash flows that are expected to be received by the Group as well as the estimated timing of such receipts. The loan receivable including principal and interest is unsecured and has no fixed repayment terms. The directors consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

The directors of the Company assessed the recoverable amount of the loan receivable (including the interest receivable from the loan receivable) taking into consideration the present value of the estimated future cash flows discounted at its original effective interest rate.

During the six months ended 30 June 2016, after netting off with the interest income recognised by the Group of HK\$151,453,000 (six months ended 30 June 2015: HK\$150,620,000), no further impairment loss (six months ended 30 June 2015: HK\$79,000,000) is recognised in the condensed consolidated profit or loss.

The directors of the Company have reviewed the carrying amount of loan receivable of HK\$1,582,986,000 (31 December 2015: HK\$1,603,664,000) net of accumulated impairment loss of HK\$2,008,974,000 (31 December 2015: HK\$1,857,521,000) and net of share of loss and other comprehensive expenses of associate allocated in excess of cost of investment of HK\$541,109,000 (31 December 2015: HK\$520,431,000) and amounts due from associates of HK\$147,758,000 (31 December 2015: HK\$138,871,000), and considered that these amounts are fully recoverable.

13. STOCK OF PROPERTIES

	30.6.2016	31.12.2015
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Properties under development	<u>857,860</u>	<u>851,991</u>

As at 30 June 2016, properties under development of HK\$857,860,000 (31 December 2015: HK\$851,991,000) represent the carrying amount of the properties expected to be completed within one year from the end of the reporting period.

14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30.6.2016 <i>HK\$'000</i> (unaudited)	31.12.2015 <i>HK\$'000</i> (audited)
Trade receivables	2,588	5,282
Interest receivables	10,226	11,247
Amount due from investee companies	8,416	6,414
Receivables from disposal of investment held for trading	3,936	25,235
Other receivables, deposits and prepayments	<u>17,491</u>	<u>16,581</u>
	<u>42,657</u>	<u>64,759</u>

The Group allows an average credit period ranging from 0 to 60 days to its customers. The following is an aged analysis of trade receivables presented based on the invoice dates at the end of reporting period, which is approximated respective recognition dates:

	30.6.2016 <i>HK\$'000</i> (unaudited)	31.12.2015 <i>HK\$'000</i> (audited)
Aged:		
0 to 60 days	2,165	4,837
61 to 180 days	292	362
Over 180 days	<u>131</u>	<u>83</u>
	<u>2,588</u>	<u>5,282</u>

15. TRADE AND OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	30.6.2016 <i>HK\$'000</i> (unaudited)	31.12.2015 <i>HK\$'000</i> (audited)
Trade payables	61,570	47,717
Other payables for construction work	248,447	268,223
Deposits and receipts in advance for rental and management fee	122,387	109,087
Payroll payables	11,495	18,795
Other tax payables	20,179	19,666
Salaries payables and staff welfare payables	34,963	35,708
Other payables and accrued charges	40,895	44,678
	<u>539,936</u>	<u>543,874</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30.6.2016 <i>HK\$'000</i> (unaudited)	31.12.2015 <i>HK\$'000</i> (audited)
Aged:		
0 to 90 days	29,511	9,469
91 to 180 days	1,471	7,639
181 to 360 days	12,126	3,248
Over 360 days	18,462	27,361
	<u>61,570</u>	<u>47,717</u>

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2016, the PRC's gross domestic product (GDP) expanded 6.7% year-on-year to RMB34,063.7 billion, and the domestic economy ran smoothly in general.

Looking from the three main industries, the primary industry maintained a low growth rate of 3.1%, whereas the secondary and tertiary industries showed increased and decreased growth rates respectively: during the process of capacity cutting, the growth rate of the secondary industry picked up by 0.3 percentage point to 6.1% thanks to the construction sector growth brought by investment in real estate and infrastructure, while the tertiary industry, propelled by the rapid growth in property sales but restrained by the high base rate in the finance sector in the same period last year, witnessed a slight drop in its growth rate of 0.1 percentage point.

Putting the real estate sector into perspective, in the first six months of 2016, total investment in real estate development amounted to RMB4,663.1 billion nationwide, a year-on-year increase of 6.1%, 0.9 percentage point lower than that in the first five months. Of the amount, investment in residential buildings was RMB3,114.9 billion, up 5.6%, 1.2 percentage points lower correspondingly, accounting for 66.8% of the total investment in real estate development.

In the second half of 2016, it is expected that positive fiscal policies and moderately easing monetary policies will continue to prevail, which is conducive to de-stocking in the industry as a whole; in terms of industry policies, the "Differentiated Policies Based on Cities" strategy will be more flexible – cities with relatively faster housing price growth will continue to adopt tighter measures, and high inventory level will lead to more promotion for property sales, such as "Preferential Tax", "Fiscal Subsidies", and "Household Registration Matching" policies, etc.

For the six months ended 30 June 2016, the Group's turnover amounted to HK\$165.7 million, a year-on-year increase of 1%. Gross profit amounted to HK\$76.2 million, a year-on-year increase of 9%. Profit attributable to owners of the Company amounted to HK\$10.9 million, a year-on-year decrease of 26%. Basic earnings per share amounted to HK0.31 cents, a year-on-year decrease of 26%.

Property Rental

For the six months ended 30 June 2016, total rental income amounted to HK\$78.7 million, a year-on-year decrease of 1%.

The rental income was mainly contributed by the commercial complexes of *The Vi City*, *Sinolink Garden Phase One to Four* and *Sinolink Tower*.

Sinolink Tower

Located in Luowu district in Shenzhen, Sinolink Tower, the hotel and office complex of Sinolink Garden Phase Five, has a total gross floor area (“GFA”) of approximately 50,000 square meters, of which hotel space occupies 30,000 square meters and office space occupies 20,000 square meters.

As at 30 June 2016, the occupancy rate of the Sinolink Tower office building was 85%, with tenants mainly engaging in jewelry, investment and real estate business.

O Hotel, the Group’s first charismatic hotel, has 188 rooms and suites, as well as a stylish restaurant, a specialty coffee shop, and premium high-end fitness club facilities. The Group always values quality over quantity in project development, and strives to create finest products, adopting a differentiated operation strategy.

O Hotel is a newly opened boutique hotel, representing the self-owned brand of the Company. We are keenly aware of the difficulties to build a hotel brand and the long time it may take, but we are confident that holding quality assets for a long term could boost their values to the highest level, and we are willing to wait patiently for the appreciation of our assets and the investment returns generated by the increase in operation profits.

Properties Under Development

As at 30 June 2016, the following properties of the Group were under development:

1. *Rockbund*

Located on the Bund in Shanghai, *Rockbund* is an integrated property project jointly developed by the Group and The Rockefeller Group International, Inc. The project has a total site area of 18,000 square meters with a GFA of 94,080 square meters comprising preserved heritage buildings and new structures. The Group intends to redevelop the historical site and structures into an upscale mixed-use community, with residential, commercial, retail, food and beverages, offices and cultural facilities. The preserved heritage buildings have commenced operation with leasing in progress. Structural works of the new building structures have been gradually completed, and the whole project is expected to be completed in 2017.

2. *Ningguo Mansions*

Located at Changning District in Shanghai, *Ningguo Mansions* is a residential development under construction works. The project, a 13,599.6 square meter site with a plot ratio of 1.0, will be developed into 11 court houses boasting a fusion of Chinese and Western features, each with a GFA of 1,000 to 1,500 square meters. David Chipperfield Architects, a British architecture design company, is responsible for the construction and decoration design of the project. Situated in one of the most accessible, low-density and tranquil luxury living districts in Shanghai, Ningguo Mansions is approximately 10 minutes from the airport and approximately 30 minutes from the downtown by car.

The project is proceeding with deluxe decoration of the garden area, façade renovation and other facility installation works, which are expected to be completed (except for units bought and furnished by the buyers) in the second half of 2016.

Major Associate

The Group recorded a share of loss of an associate, Rockefeller Group Asia Pacific, Inc. (“RGAP”), Rockbund project, at an amount of HK\$39.2 million for the six months ended 30 June 2016, a year-on-year decrease of 22%, mainly due to change in the fair value of investment properties held by the associate.

Loan Receivable

This is an investment in RGAP in the name of shareholder’s loan used for financing the Rockbund project, constituting part of the total investment of the Group in RGAP. As the loan receivable is in fact an investment, the Group has recognised its share of loss of RGAP in excess of the cost of investment against the loan receivable. This amount is carried at amortised cost based on the estimated future cash flows expected to be received by the Group as well as the estimated timing of such returns. The investment is unsecured and has no fixed term of repayment. The directors consider that the investment is long-term investment, which should be classified as non-current assets accordingly.

The directors of the Company assessed the recoverable amount of the investment amount taking into consideration the present value of the estimated future cash flows discounted at its original effective interest rate.

The directors of the Company have reviewed the carrying amount of loan receivable of HK\$1,582,986,000 (31 December 2015: HK\$1,603,664,000), net of share of loss and other comprehensive expenses of associate allocated in excess of cost of investment of HK\$541,109,000 (31 December 2015: HK\$520,431,000) and amounts due from associates of HK\$147,758,000 (31 December 2015: HK\$138,871,000), and considered that these amounts are fully recoverable.

Other Businesses

Other businesses within the Group include property, facilities and project management. For the six months ended 30 June 2016, the Group recorded revenue of HK\$87.1 million from other businesses, a year-on-year increase of 2%.

Prospects

Looking into the second half of 2016, the PRC economy is still confronted with slowing growth, while potential barriers lying ahead will restrain the stable economic growth of the PRC, including the negative effects brought by industrial de-capacity, fast-falling private investments, the fallback in the growth rate of real estate sales and investment, as well as the sluggish foreign demand arising from the global economic downturn and regional instability. In the second half of the year, the Chinese economy is still faced with downside pressure, which requires fiscal, monetary and industrial policy support. Experiencing the “new norm” period featuring potential slowing growth and an urgent need to go through transformation and reforms, the domestic economy has adapted to the “L-shape” growth mode” in the “6 Era”. The Group will keep a close eye on changes in the “new norm” and the development of the “new economy” to look for business and investment opportunities and develop in line with the “new economy”.

FINANCIAL REVIEW

The Group’s financial position remains strong with a low debt leverage and strong interest cover. The Group’s total borrowings decreased from HK\$132.3 million as at 31 December 2015 to HK\$112.1 million as at 30 June 2016. Gearing ratio as at 30 June 2016, calculated on the basis of total borrowings over shareholders’ equity, was 1.6% compared with 1.9% as at 31 December 2015. The Group is in a net cash position and bank borrowings are mainly loans with floating interest rates.

Total assets pledged for securing the above loans had a carrying value of HK\$517.6 million as at 30 June 2016. The borrowings of the Group are denominated in RMB. As the entire operation of the Group is carried out in the PRC, substantial receipts and payments in relation to operation are denominated in RMB. No financial instruments have been used for hedging purposes; however, the Board will continue to evaluate and closely monitor the potential impact of RMB and interest rates movements on the Group.

The Group’s cash and bank balances amounted to HK\$3,097.5 million (including pledged bank deposits, structured deposits, short-term bank deposits and cash and cash equivalents) as at 30 June 2016, mostly denominated in RMB, HKD and USD.

CAPITAL COMMITMENTS

As at 30 June 2016, the Group had capital commitments of HK\$48.8 million in respect of properties under development.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group’s properties amounted to HK\$39.5 million as at 30 June 2016.

INTERIM DIVIDEND

In order to retain resources for the Group's business development, the Board does not declare an interim dividend for the six months ended 30 June 2016 (2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group employed approximately 839 full time employees for its principal activities. The Group recognizes the importance of high caliber and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the six months ended 30 June 2016.

CORPORATE GOVERNANCE

During the period, the Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") of the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the six months ended 30 June 2016, all Directors have complied with the required standard set out in the Model Code.

AUDIT COMMITTEE

The Company has an audit committee ("Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors. The members of the Audit Committee are Mr. Xin Luo Lin, Dr. Xiang Bing and Mr. Tian Jin. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the six months ended 30 June 2016 had not been audited, but had been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

By Order of the Board
SINOLINK WORLDWIDE HOLDINGS LIMITED
TANG Yui Man Francis
Chairman

Hong Kong, 23 August 2016

As at the date of this announcement, the Board comprises Mr. TANG Yui Man Francis (Chairman), Mr. XIANG Ya Bo (Chief Executive Officer) and Mr. CHEN Wei as Executive Directors; Mr. OU Yaping, Mr. OU Jin Yi Hugo and Mr. LAW Sze Lai as Non-executive Directors; Mr. TIAN Jin, Dr. XIANG Bing and Mr. XIN Luo Lin as Independent Non-executive Directors.